

## Minutes

### Idaho Health Insurance Exchange Board Committee meeting

**Date:** Thursday, May 9, 2013

**Time:** 1:00 p.m.

**Place:** Idaho State Capitol Building, Lincoln Auditorium

**Members Present:** Interim Chair Stephen Weeg, Mark Estess, Karen Vauk, Dave Self, Scott Kreiling, Zelda Geyer-Sylvia, Hyatt Erstad, Tom Shores, Frank Chan, Jeff Agenbroad, Kevin Settles, Dr. John Livingston (via phone), Margaret Henbest, Senator Jim Rice, Representative Kelley Packer, and Representative John Rusche

**Non-voting & ex-officio members:** Director William Deal, Director of Insurance for the State of Idaho and Richard Armstrong, Director of Health & Welfare for the State of Idaho

Also attending by phone was Exchange Executive Director, Amy Dowd.

**Convened:** Interim Chair Stephen Weeg called the meeting to order at 1:00 p.m. A quorum was declared.

A motion was made by Interim Chair Steven Weeg to amend the agenda to reorder some presentations, seconded and passed unanimously.

#### **Presentations by Michael Stoddard**

Mike Stoddard from the law firm of Hawley-Troxell spoke to the Board regarding the requirements of Idaho law applicable to the Idaho Health Insurance Exchange operating as an Independent Body Corporate and Politic.

Mr. Stoddard next discussed Idaho law relating to open meeting requirements and provided a primer to the Board regarding Idaho's open meeting laws.

Mr. Stoddard next provided the Board with a primer on the Idaho Public Records Act and discussed the requirements of that act and its applicability to the Exchange and Board members.

- Mr. Stoddard noted that although the Public Records Act is not made specifically applicable to the Exchange, the Board has decided the best practice is to treat the Public Records Act as applicable.
- A central repository for Board communications has been developed to aid in keeping track of Board communications.

Interim Chair Weeg next informed the Board that a planned call with the Center for Consumer Information and Insurance Oversight (CCIIO) to discuss information to be provided by the Board had been moved from Friday the 10<sup>th</sup> to Monday at 1:30 Eastern Time. All Board members will be welcome to participate on the call.

## **IT Committee Report**

Frank Chan, Chair of the Board's IT Committee, provided the Board with an update on activities of the Committee. Mr. Chan informed the Board that the Committee has held four meetings, reviewed templates for RFPs, identified needed areas of expertise (including a systems integrator and program manager), and created a list of possible system integrators. Mr. Chan next provided a Power Point presentation titled "Understanding the Complexity" that explained the processes required of a health insurance exchange and examined which functions might be handled through federal systems while Idaho builds the state components of an insurance exchange. The Board addressed questions to Mr. Chan and discussed a number of issues surrounding the possible use of federal systems while state systems are developed.

- A Motion was made by John Rusche that the Exchange pursue using federal IT platform in order to be ready to enroll people by October 1, 2013, while at the same time issuing an RFP to determine whether private vendors might be used to meet the deadline. The motion was seconded by Kelley Packer and passed unanimously.
- David Self moved that the Exchange proceed with necessary procurement instrument to contract with a systems integrator. The motion was seconded by Margaret Henbest and passed unanimously.

## **Marketing and Outreach Committee Report**

Mark Estess reported to the Board regarding the activities of the Board's Marketing and Outreach Committee and also provided a written report and meeting minutes. Mr. Estess provided board members documents received from CCIO and a scope of work document developed by the Committee identifying key milestones and needed RFIs and RFPs. The Board was further provided a copy of a draft RFI for outreach and marketing intended to be released as soon as possible. The Board discussed the attendance of Mr. Estess and Amy Dowd at an upcoming CCIO conference in Denver to discuss education and outreach best practices.

- A motion was made to approve the scope of work proposal drafted by the Committee May 9, 2013, by John Rusche, seconded by David Self, and unanimously approved.
- A motion was made by Scott Kreiling to approve the Committee's recommendation that pursuant to Idaho Code Section 41-6105, two advisory committees be created to assist in development of the Exchange to be known as the Community Partnership Advisory Committee (CPAC) and the Subject Matter Expert Advisory Committee (SMEAC). The motion was seconded by John Rusche and, following discussion, was unanimously approved.
- A motion was made by Jim Rice to approve the Committee's recommendation to change the Marketing and Outreach Committee's name to the Outreach & Education Committee, seconded by Margaret Henbest, and passed unanimously.
- A motion was made to approve the Committee's recommendation to adopt [www.insuredidaho.com](http://www.insuredidaho.com) as a domain name for the exchange by John Rusche, seconded by Kelly Packer, and, after discussion, was passed unanimously.
- A motion was made by Hyatt Erstad to approve the attendance of Mark Estess and Amy Dowd at the Denver CCIO conference, seconded by Jeff Agenbroad, and unanimously approved.

### **Small Employer Health Options Program (SHOP) Committee Report**

Margaret Henbest reported to the Board regarding the activities of the SHOP Committee. She discussed three decisions that need to be made regarding the SHOP program: the size of employers that will be considered eligible for SHOP participation, whether to proceed with premium aggregation, and what employee participation rate should be required for employers to be eligible to purchase coverage through the SHOP Exchange.

- Ms. Henbest informed the Board that existing Idaho law defines small employers to be no more than 50 employees, so that is the number that will be used for purposes of the SHOP Exchange.
- Ms. Henbest said the Committee was recommending that Idaho hold off incorporating disaggregated premium billing into the SHOP Exchange until it is required in 2015. Hyatt Erstad moved that the Board accept this recommendation, John Rusche seconded, and the motion carried unanimously.
- Due to a question of what federal requirements might apply, the SHOP Committee was unable to make a recommendation regarding employee participation requirements for the Idaho SHOP Exchange and will continue to review this question.

### **Operations Committee Report**

Tom Mortell from the law firm of Hawley Troxell provided the Board with a draft procurement policy and RFP that was prepared for the Operations Committee. The procurement policy is based in part on sections of Idaho law that govern RFPs for professional services. Mr. Mortell noted that federal procurement requirements applicable to grant funds follow state law and it is his firm's opinion that state law allows the Board to develop its own procurement policies. The draft policy does not set out specific dollar thresholds for Executive Director's purchasing discretion so that the numbers can be developed with input from the Executive Director.

- Jim Rice moved that the purchasing policy be adopted without the dollar amounts on an interim basis so that RFPs can be issued prior to the Executive Director's arrival in Boise. The motion was seconded by Scott Kreiling and passed unanimously.

### **Governance Committee Report**

Jim Rice informed the Board that the Governance Committee had created a draft of bylaws that was provided to the law firm of Hawley Troxell for further development. Mike Stoddard then went through the proposed bylaws with the Board.

- After a discussion of how the Executive Committee should be made up and its role, John Rusche moved that the bylaws state that the Executive Committee be made up of the four Board officers, the chairs of the Operations and the Finance Committees, and others as necessary to include a representative from each of the Board constituencies (consumers, providers, producers, insurers, small employers, legislators). The motion was seconded by Kelly Packer and passed unanimously.
- The Board discussed what should be the Exchange's fiscal year. Jeff Agenbroad informed the Board that a filing for an EIN had been completed and the fiscal year had been declared to be June to coincide with the state's fiscal year. It was generally agreed that using a June fiscal year would be appropriate.

- Margaret Henbest moved that the draft bylaws be accepted by the Board incorporating changes as discussed and agreed upon by the Board. The motion was seconded by David Self and passed unanimously.
- Jim Rice then informed the Board that the Committee had made the decision to retain the law firm of Hawley Troxell after speaking with multiple firms based on the delegation of authority previously made to the Committee by the Board. He further informed the Board that the Committee had nominated for officers: Jeff Agenbroad as Treasurer, Hyatt Erstad as Secretary and Scott Kreiling as Vice-Chair of the Board, the motion was seconded by John Rusche and passed unanimously.
- Motion was further made, seconded and passed unanimously to elect Stephen Weeg chair of the Board, rather than interim chair, until such time as the Governor makes a final decision on appointing a chair. Stephen Weeg abstained from the vote.

### **Finance Committee Report**

Jeff Agenbroad provided the Board with a report of the activities of the Finance Committee. He reported that an EIN number and state of Idaho vending number had been acquired for the Exchange. He further discussed efforts at obtaining access to funding for the Exchange, noting the existence of a \$20.4 million level one federal Exchange grant that will be available once certain mileposts are achieved, and \$385,000 of federal funding that might be available if certain criteria can be met. Other possible funding sources would be a loan from a financial institution or prepayments of participant fees. Mr. Agenbroad also discussed the need to adopt financial controls, develop a budget and establish a framework for user fees.

The Finance Committee interviewed three banks for use by the Exchange. Because of past relationships with the banks, Mr. Agenbroad abstained from any Committee votes regarding the selection of a bank. Based on the interviews, the Finance Committee recommended that the Exchange select Idaho Independent Bank.

- A motion was made by Fernando Veloz to create an initial banking relationship with Idaho Independent Bank for the Exchange; that check signing authority of the Board would rest with the Finance Committee members, Board Chair, and the Executive Director; that two signatures would be required for checks over \$5,000; and that the Finance Committee would have authority to execute necessary documents to open the account and begin banking activities. After discussion, the motion was tabled and restated as a series of motions.
- Fernando Veloz made a motion to begin a relationship with Idaho Independent Bank for the Exchange. It was seconded by John Rusche and passed unanimously with the exception of Mr. Agenbroad who abstained.
- A motion was then made by Mr. Veloz to authorize as signers on the Exchange account the Board Chair, Vice-Chair, the Treasurer and the Executive Director. The motion was seconded by David Self and passed unanimously.
- Next, a motion was made by Mr. Veloz that two signatures be required for checks exceeding \$5,000, seconded by Jim Rice and passed unanimously.
- Jim Rice moved that legal counsel prepare a resolution reflecting the authorization to open the account at Idaho Independent Bank to be signed by the Secretary, seconded by John Rusche and passed unanimously.

### General Updates

Stephen Weeg provided a general update on actions taken to date, noting that the law firm of Hawley Troxell has offered the use of office space for 90 days, Post Office Box 943, 83701, has been opened for the Exchange, a contract has been executed with Theresa Ball at HR Position to develop HR policies & procedures, a bookkeeper who provides services to the Idaho Health Data Exchange has been contacted to assist in setting up Exchange books, the Finance Committee will be working on finance policies, a retired Health & Welfare employee has been contacted to assist with financial management for purposes of federal grants, and an insurance broker has been contacted to identify and meet Exchange insurance needs.

Mr. Weeg next discussed the need to schedule the next meeting to discuss transition of roles to the Executive Director. It was agreed the next meeting will be held May 23<sup>rd</sup> beginning at 1:00 p.m. Possible agenda items were discussed. Mr. Weeg next recognized the hard work that has been put forth by the Board members and thanked them for their time and commitment.

There being no further business, the meeting was adjourned at 5:15 p.m.